

## Message Text

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ORIGIN TRSE-00

INFO OCT-01 AF-10 EUR-12 ISO-00 HA-05 EB-08 FTC-01  
GSA-02 IO-13 AID-05 ACDA-12 CIAE-00 DODE-00 PM-05  
H-01 INR-10 L-03 NSAE-00 PA-01 SP-02 SS-15  
COME-00 FRB-03 XMB-02 OPIC-03 LAB-04 SIL-01  
OMB-01 STR-07 CEA-01 NSCE-00 SSO-00 ICAE-00  
INRE-00 MCE-00 /128 R

DRAFTED BY TREASURY:RBLAKE:LAR  
APPROVED BY AF/C:LDJUNIOR  
HA:RMAXIM  
EB:BCROWE (INFO)  
EUR/NE:WNEWLIN (INFO)  
-----061236 261950Z /72  
O 261916Z APR 78 ZFF4  
FM SECSTATE WASHDC  
TO AMEMBASSY KINSHASA NIACT IMMEDIATE  
AMEMBASSY BRUSSELS NIACT IMMEDIATE

C O N F I D E N T I A L STATE 106500

BRUSSELS FOR DAS WALKER

E.O. 11652:GDS

TAGS: OVIP, CG, EFIN, EAID, SHUM

SUBJECT: TALKING POINTS FOR BERGSTEN/WALKER ZAIRE VISIT

FOLLOWING IS SUMMARY OF TALKING POINTS ON THE PRINCIPAL  
ISSUES CONTAINED IN BERGSTEN/WALKER BRIEFING MATERIALS,  
FOR THEIR USE IN DISCUSSIONS WITH PRESIDENT MOBUTU AND  
OTHER ZAIRIAN OFFICIALS:

MOBUTU PLAN

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-- THE U.S. SUPPORTS IN PRINCIPLE THE BELGIAN INITIATIVE  
AND WE HAVE AGREED TO ATTEND AN INFORMAL MEETING IN  
BRUSSELS TO DISCUSS THE PLAN.

-- THE PURPOSE OF THE INFORMAL MEETING SHOULD BE TO ASCER-  
TAIN MORE DETAILS ABOUT THE PLAN AND THE INTENTIONS OF THE  
GOZ. THE INFORMAL MEETING WOULD NOT BE AN OCCASION TO

MAKE AID PLEDGES.

-- AFTER THE INFORMAL MEETING, THE U.S. WOULD BE WILLING TO PARTICIPATE IN A FORMAL MEETING AS PART OF THE IBRD-CHAIRLED ZAIRE CONSULTATIVE GROUP PROVIDED:

A) WE HAVE RECEIVED SUFFICIENT INFORMATION ABOUT THE PLAN

AND GOZ INTENTIONS;

B) THERE HAS BEEN PROGRESS IN IMPLEMENTATION OF SOME OF THE REFORMS PROPOSED IN THE PLAN; AND

C) AN IMF STANDBY HAS BEEN NEGOTIATED AND A PARIS CLUB MEETING HAS TAKEN PLACE TO ENSURE THAT ZAIRE'S SHORT-TERM PROBLEMS HAVE BEEN DEALT WITH.

PARIS CLUB

-- AT THE LAST PARIS CLUB MEETING, OFFICIAL CREDITORS AGREED TO MEET AGAIN IN 1978 TO DISCUSS RESCHEDULING ZAIRE'S 1978 DEBT SERVICE IF THE FOLLOWING CONDITIONS HAD BEEN MET:

A) THE ADOPTION OF AN IMF-ENDORSED STABILIZATION PROGRAM;

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B) AN ARRANGEMENT HAD BEEN REACHED FOR THE REFINANCING OF PRIVATE BANK DEBT ON TERMS COMPARABLE TO THOSE PROVIDED BY OFFICIAL CREDITORS AS PART OF THEIR RESCHEDULING; AND

C) A "BEST EFFORT" BY THE GOZ HAD BEEN MADE TO MEET ITS PAYMENTS OBLIGATIONS UNDER THE BILATERAL RESCHEDULING AGREEMENTS.

-- THE GOZ HAS NOT MET THESE PRECONDITIONS AND A DATE FOR THE 1978 MEETING HAS NOT BEEN SET.

-- WE URGE THE GOZ TO MEET AS SOON AS POSSIBLE THE THREE CONDITIONS DESCRIBED ABOVE.

COPPER

-- THE U.S. HAS FAVORED A PRODUCER-CONSUMER FORUM FOR COPPER.

-- THE ADMINISTRATION WILL NOT TAKE A POSITION ON THE ESCAPE CLAUSE PETITION FILED BY DOMESTIC PRODUCERS WITH THE INTERNATIONAL TRADE COMMISSION UNTIL AFTER THE COM-

MISSION'S DECISION.

-- THE ADMINISTRATION SUPPORTS ACQUISITION BY THE GSA OF 225,000 TONS OF COPPER FOR THE STRATEGIC STOCKPILE.

IMF

-- THE U.S. CONSIDERS ADOPTION OF AN IMF-ENDORSED STABILIZATION PROGRAM AS ESSENTIAL FOR THE LONG-RUN DEVELOPMENT OF ZAIRE.

-- THE PARIS CLUB MEETING, THE DISBURSEMENT OF THE PRIVATE BANK LOAN AND THE MULTILATERAL RECOVERY PROGRAM (THE CONFIDENTIAL

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MOBUTU PLAN) ALL ASSUME AN IMF AGREEMENT WILL BE IN PLACE.

-- WE HOPE THE GOZ WILL RESUME DISCUSSIONS WITH THE IMF AT AN EARLY DATE.

PRIVATE BANK AGREEMENT

-- THE U.S. AND OTHER CREDITOR COUNTRIES HAVE STRESSED THAT THE TERMS OF ANY REFINANCING OF PRIVATE BANK DEBT BE COMPARABLE TO THAT PROVIDED BY OFFICIAL CREDITORS IN THEIR RESCHEDULING.

-- IN THE LAST PARIS CLUB MEETING, OFFICIAL CREDITORS AGREED THAT EITHER A NEW MEDIUM-TERM LOAN OF 200-250 MILLION DOLLARS OR A DIRECT RESCHEDULING/REFINANCING OF THE PRIVATE BANK DEBT WOULD CONSTITUTE COMPARABLE TREATMENT.

-- THE PRIVATE BANK LOAN PRESENTLY ENVISIONED WOULD APPEAR TO MEET THE TERMS SPECIFIED IN THE LAST PARIS CLUB MEETING.

-- WE WOULD BE INTERESTED IN THE PRESENT STATUS OF THIS LOAN AND WHEN LOAN DISBURSEMENTS WOULD BE LIKELY TO OCCUR.

HUMAN RIGHTS

-- THE U.S. ADMINISTRATION AND CONGRESS IS VERY CONCERNED WITH THE HUMAN RIGHTS SITUATION IN COUNTRIES RECEIVING U.S. ASSISTANCE EITHER DIRECTLY THROUGH OUR BILATERAL AID PROGRAM OR INDIRECTLY THROUGH MULTILATERAL DEVELOPMENT BANKS.

-- OUR ABILITY TO PARTICIPATE IN THE MOBUTU PLAN AND TO CONFIDENTIAL

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MAINTAIN OUR CURRENT LEVEL OF ASSISTANCE IS LINKED TO THE GOZ CONVINCING THE ADMINISTRATION AND CONGRESS THAT IT IS UNDERTAKING POLITICAL AND ECONOMIC REFORMS DESIGNED TO IMPROVE THE LOT OF THE ZAIROIS.

-- IN THIS REGARD PRESIDENT MOBUTU SHOULD BE AWARE THAT ACTIONS SUCH AS THE RECENT EXECUTION OF 13 PEOPLE ACCUSED OF ANTI-GOVERNMENT PLOTTING.

BEAR CRUCIALLY ON THE ADMINISTRATION'S AND THE CONGRESS' ABILITY TO RESPOND TO ZAIRE'S PRESSING NEEDS; FOR EXAMPLE,

- -

KEYMEMBERS OF THE HOUSE ARE CURRENTLY QUESTIONING FY-SECURITY ASSISTANCE AUTHORIZATION BILL FOR ZAIRE ON THE GROUNDS OF CONCERN AT THESE RECENT DEVELOPMENTS.

FMS CREDIT

-- ZAIRE IS DELINQUENT ON FMS INTEREST PAYMENTS DUE JULY 1 AND DECEMBER 31, 1976 TOTALLING DOLLARS 383,687.21.

-- UNDER THE TERMS OF THE BROOKE AMENDMENT, WHICH STATES THAT NO FY-78 FMS FUNDS MAY BE ADVANCED TO COUNTRIES WITH ARREARAGES IN EXCESS OF ONE YEAR, ZAIRE MAY BE INELIGIBLE FOR A 17.5 MILLION DOLLAR FMS CREDIT.

-- TO AVOID THIS, THE GOZ SHOULD UNDERTAKE TO CLEAR UP THESE ARREARAGES IMMEDIATELY AND SHOULD MAKE EVERY EFFORT TO STAY CURRENT ON FMS REPAYMENTS. FYI ON JULY 1, 1978, FIVE ADDITIONAL PAYMENTS ON FMS ACCOUNT FALL DUE. END FYI VANCE

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NNN

## Message Attributes

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**TAGS:** OVIP, EFIN, EAID, SHUM, CG, (WALKER, LANNON), (BERGSTEN, C FRED)  
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**Review Markings:**  
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